

**CONFERENCE COMMITTEE REPORT  
DIGEST FOR EHB 1430**

**Citations Affected:** IC 6-1.1-19-4.5.

**Synopsis:** School corporation referendum levy. Conference committee report for EHB 1430. Provides that a school corporation may specify additional language regarding reduction of property tax levies for other school funds if the school corporation provides for a public question for the institution of a referendum levy for the school corporation. **(This conference committee report deletes all of the bill except the provisions regarding the school corporation referendum levy.)**

**Effective:** July 1, 2003.

# CONFERENCE COMMITTEE REPORT

**MR. PRESIDENT:**

*Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1430 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 6-1.1-19-4.5, AS AMENDED BY SEA 136-2003,
- 3 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2003]: Sec. 4.5. (a) With respect to every appeal petition that
- 5 is delivered to the tax control board by the department of local
- 6 government finance under section 4.1 of this chapter and that includes
- 7 a request for emergency financial relief (except an appeal petition
- 8 described in section 4.7 of this chapter), the tax control board shall,
- 9 after having made the study of the appeal petition and related materials
- 10 that the tax control board considers necessary, make an appropriate
- 11 recommendation to the department of local government finance. If the
- 12 appeal petition requests an excessive tax levy under subsection (c), the
- 13 tax control board shall expedite the board's review as necessary to
- 14 permit the referendum to be conducted without a special election. In
- 15 respect of the appeal petition, the tax control board may make to the
- 16 department of local government finance any of the recommendations
- 17 described in section 4.4(a) of this chapter, subject to the limitations
- 18 described in section 4.4(b) of this chapter.
- 19 (b) In addition, if the tax control board concludes that the appellant
- 20 school corporation cannot, in the ensuing calendar year, carry out the
- 21 public educational duty committed to the appellant school corporation
- 22 by law if, for the ensuing calendar year, the appellant school

corporation does not receive emergency financial relief, the tax control board may recommend to the department of local government finance that the order of the county board of tax adjustment or the county auditor in respect of the budget, tax levy, or tax rate of the appellant school corporation be approved, or disapproved and modified, as specified in the tax control board's recommendation and that the appellant school corporation receive emergency financial relief from the state, on terms to be specified by the tax control board in the board's recommendation, in the form of:

- (1) a grant or grants from any funds of the state that are available for such a purpose;
- (2) a loan or loans from any funds of the state that are available for such a purpose;
- (3) permission to the appellant school corporation to borrow funds from a source other than the state or assistance in obtaining the loan;
- (4) an advance or advances of funds that will become payable to the appellant school corporation under any law providing for the payment of state funds to school corporations;
- (5) permission to the appellant school corporation to:
  - (A) cancel any unpaid obligation of the appellant school corporation's general fund to the appellant school corporation's cumulative building fund; or
  - (B) use, for general fund purposes, any unobligated balance in the appellant school corporation's cumulative building fund and the proceeds of any levy made or to be made by the appellant school corporation for the appellant school corporation's cumulative building fund;
- (6) permission to use, for general fund purposes, any unobligated balance in any construction fund, including any unobligated proceeds of a sale of the school corporation's general obligation bonds; or
- (7) a combination of the emergency financial relief described in subdivisions (1) through (6).

(c) In addition to, or in lieu of, any recommendation that the tax control board may make under this section, the tax control board may recommend that the appellant school corporation be permitted to make a referendum tax levy for the ensuing calendar year under this subsection. The recommendation may not be put into effect until a majority of the individuals who vote in a referendum that is conducted in accordance with the following requirements approves the appellant school corporation's making a referendum tax levy for the ensuing calendar year:

- (1) Whenever:
  - (A) the tax control board recommends to the department of local government finance that the appellant school corporation be permitted to make a referendum tax levy for the ensuing calendar year if a majority of the individuals voting in a referendum held in the appellant school corporation approves the appellant school corporation's making a referendum tax levy;
  - (B) the department of local government finance gives the board's

1 written approval of the recommendation; and

2 (C) the appellant school corporation requests that the tax control  
3 board take the steps necessary to cause a referendum to be  
4 conducted;

5 the tax control board shall proceed in accordance with this  
6 subsection.

7 (2) The question to be submitted to the voters in the referendum  
8 must read as follows:

9 "For the \_\_ (insert number) calendar year or years immediately  
10 following the holding of the referendum, shall the school  
11 corporation impose a property tax rate that does not exceed  
12 \_\_\_\_\_ (insert amount) cents (\$0.\_\_\_\_) (insert amount) on  
13 each one hundred dollars (\$100) of assessed valuation and that  
14 is in addition to the school corporation's normal tax rate?"

15 The voters in a referendum may not approve a referendum tax levy  
16 that is imposed for more than seven (7) years. However, a  
17 referendum tax levy may be reimposed or extended under this  
18 subsection.

19 **(3) In addition to the question prescribed in subdivision (2), the**  
20 **school corporation may, if approved by the school board, add**  
21 **the following language to the question:**

22 **"If the referendum tax levy is approved, the school**  
23 **corporation shall reduce the property tax rate of the \_\_\_\_**  
24 **(insert fund name) fund by \_\_\_\_\_ (insert amount)**  
25 **cents (\$0.\_\_\_\_) on each one hundred dollars (\$100) of**  
26 **assessed valuation."**

27 ~~(3)~~ (4) The tax control board shall act under IC 3-10-9-3 to certify  
28 the question to be voted on at the referendum to the county election  
29 board of each county in which any part of the appellant school  
30 corporation lies. Each county clerk shall, upon receiving the  
31 question certified by the tax control board, call a meeting of the  
32 county election board to make arrangements for the referendum.  
33 The referendum shall be held in the next primary or general  
34 election in which the residents of the appellant school corporation  
35 are entitled to vote after certification of the question under  
36 IC 3-10-9-3. However, if the referendum would be held at a  
37 primary or general election more than six (6) months after  
38 certification by the tax control board, the referendum shall be held  
39 at a special election to be conducted not less than ninety (90) days  
40 after the question is certified to the circuit court clerk or clerks by  
41 the tax control board. The appellant school corporation shall advise  
42 each affected county election board of the date on which the  
43 appellant school corporation desires that the referendum be held,  
44 and, if practicable, the referendum shall be held on the day  
45 specified by the appellant school corporation. The referendum  
46 shall be held under the direction of the county election board,  
47 which shall take all steps necessary to carry out the referendum.  
48 Not less than ten (10) days before the date on which the  
49 referendum is to be held, the county election board shall cause  
50 notice of the question that is to be voted upon at the referendum to  
51 be published in accordance with IC 5-3-1. If the referendum is not

1 conducted at a primary or general election, the appellant school  
 2 corporation in which the referendum is to be held shall pay all of  
 3 the costs of holding the referendum.

4 ~~(4)~~ (5) Each county election board shall cause the question  
 5 certified to the circuit court clerk by the tax control board to be  
 6 placed on the ballot in the form prescribed by IC 3-10-9-4. The  
 7 county election board shall also cause an adequate supply of  
 8 ballots and voting equipment to be delivered to the precinct  
 9 election board of each precinct in which the referendum is to be  
 10 held.

11 ~~(5)~~ (6) The individuals entitled to vote in the referendum are all of  
 12 the registered voters resident in the appellant school corporation.

13 ~~(6)~~ (7) Each precinct election board shall count the affirmative  
 14 votes and the negative votes cast in the referendum and shall  
 15 certify those two (2) totals to the county election board of each  
 16 county in which the referendum is held. The circuit court clerk of  
 17 each county shall, immediately after the votes cast in the  
 18 referendum have been counted, certify the results of the  
 19 referendum to the tax control board. Upon receiving the  
 20 certification of all of the votes cast in the referendum, the tax  
 21 control board shall promptly certify the result of the referendum to  
 22 the department of local government finance. If a majority of the  
 23 individuals who voted in the referendum voted "yes" on the  
 24 referendum question, the department of local government finance,  
 25 upon being notified in the manner described in this subsection of  
 26 the result of the referendum, shall take prompt and appropriate  
 27 steps to notify the appellant school corporation that the appellant  
 28 school corporation is authorized to collect, for the calendar year  
 29 that next follows the calendar year in which the referendum is held,  
 30 a referendum tax levy not greater than the amount approved in the  
 31 referendum. The referendum tax levy may be imposed for the  
 32 number of calendar years approved by the voters following the  
 33 referendum for the school corporation in which the referendum is  
 34 held. If a majority of the individuals who voted in the referendum  
 35 voted "yes" on the referendum question, the school corporation  
 36 shall establish a referendum tax levy fund under IC 21-2-11.6. A  
 37 school corporation's referendum tax levy may not be considered in  
 38 the determination of the school corporation's state tuition support  
 39 under IC 21-3-1.7 or the determination of the school corporation's  
 40 maximum general fund tax levy under this chapter and IC 21-3-1.7.  
 41 If a majority of the persons who voted in the referendum did not  
 42 vote "yes" on the referendum question, the appellant school  
 43 corporation may not make any tax levy for its general fund other  
 44 than a normal tax levy, and another referendum under this  
 45 subsection may not be held for a period of one (1) year after the  
 46 date of the referendum.

47 (d) With respect to any school corporation to which a loan or advance  
 48 of state funds is made under this section, or for which such a loan or an  
 49 advance is recommended, for purposes other than the purpose specified  
 50 in section 4.7 of this chapter, the tax control board may recommend to  
 51 the department of local government finance that the school corporation

1 be authorized, for a specified calendar year, and solely for the purpose  
2 of enabling the school corporation to repay the loan or advance, to  
3 collect an excessive tax levy. A recommendation under this subsection  
4 must specify the amount of the recommended excessive tax levy. Upon  
5 receiving the recommendation from the tax control board, and without  
6 any other proceeding, the department of local government finance may  
7 authorize the school corporation, for a specified calendar year, to make  
8 an excessive tax levy in accordance with the recommendation of the tax  
9 control board or in accordance with a modification of the  
10 recommendation that the department of local government finance  
11 determines is proper. Whenever the department of local government  
12 finance exercises the power given to the department of local  
13 government finance under this subsection, the department of local  
14 government finance shall, in the department's order to the affected  
15 school corporation, specify the amount of the authorized excessive tax  
16 levy and take appropriate steps to ensure that so much of the proceeds  
17 of the excessive tax levy as should be used for loan repayment purposes  
18 is not used for any other purpose. The department of local government  
19 finance may not exercise the power described in this subsection to  
20 authorize any school corporation to collect an excessive tax levy for  
21 more than one (1) calendar year in any period of four (4) consecutive  
22 calendar years.

(Reference is to EHB 1430 as reprinted April 10, 2003.)

**Conference Committee Report**  
**on**  
**Engrossed House Bill 1430**

**S**igned by:

---

Representative Mahern  
Chairperson

---

Senator Lawson C

---

Representative Richardson

---

Senator Sipes

**House Conferees**

**Senate Conferees**